

By TORRES

FILED FEB 18 1997

H. B. No. 1391

A BILL TO BE ENTITLED

AN ACT

relating to continuing education requirements for air conditioning and refrigeration contractors.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4B. CONTINUING EDUCATION REQUIREMENTS [PROGRAMS].

(a) The commissioner by rule shall [may] recognize or adopt [~~prepare,--or--administer~~] continuing education programs for licensees. Participation in the programs is mandatory for renewal of a license issued under this Act [voluntary].

(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended eight classroom hours of continuing education courses approved by the commissioner.

(c) The commissioner by rule, with the advice of the advisory board, may permit the substitution of relevant education experience for classroom attendance. The substituted experience must be approved by the commissioner. For purposes of this section, relevant education experience includes participation in

1 correspondence courses, manufacturer training, trade association  
2 workshops or seminars, chapter meetings, and supervised video  
3 instruction.

4 (d) Continuing education courses or relevant education  
5 experience approved by the commissioner may cover technical,  
6 business, safety, or legal aspects of air conditioning and  
7 refrigeration contracting.

8 (e) The commissioner may not require an examination under  
9 this section except for approval of a correspondence course or a  
10 continuing education course offered by an alternative delivery  
11 system, including by computer.

12 (f) The commission shall adopt fees for continuing education  
13 providers in amounts reasonable and necessary to administer this  
14 section.

15 (g) A person seeking to provide a continuing education  
16 program must meet the requirements adopted by rule of the  
17 commissioner. An applicant that meets the requirements and that is  
18 approved by the commissioner may provide continuing education  
19 programs until the second anniversary of the date the provider's  
20 application was approved. A provider may reapply to the  
21 commissioner to act as a provider for additional two-year periods.

22 SECTION 2. (a) This Act takes effect September 1, 1997.

23 (b) The commissioner of licensing and regulation shall adopt  
24 rules and the Texas Commission of Licensing and Regulation shall  
25 adopt fees under this Act not later than January 1, 1998.

26 (c) Notwithstanding Section 4B(b), Air Conditioning and  
27 Refrigeration Contractor License Law (Article 8861, Vernon's Texas

1 Civil Statutes), as added by this Act, a person who holds a license  
2 under that Act on the effective date of this Act is not required to  
3 fulfill continuing education required under that section to renew  
4 the license before September 1, 1999.

5 SECTION 3. The importance of this legislation and the  
6 crowded condition of the calendars in both houses create an  
7 emergency and an imperative public necessity that the  
8 constitutional rule requiring bills to be read on three several  
9 days in each house be suspended, and this rule is hereby suspended.

27 APR -3 AM 9:15  
HOUSE OF REPRESENTATIVES

# HOUSE COMMITTEE REPORT

1<sup>st</sup> Printing

By Torres

H.B. No. 1391

Substitute the following for H.B. No. 1391:

By Yarbrough

C.S.H.B. No. 1391

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(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended eight classroom hours of continuing education courses approved by the commissioner.

(c) The commissioner may permit the substitution of relevant education experience for four hours of classroom attendance. The substituted experience must be approved by the commissioner. For purposes of this section, relevant education experience includes participation in correspondence courses, manufacturer training,

1 trade association workshops or seminars, chapter meetings, and  
2 supervised video instruction.

3 (d) Four hours of continuing education courses or relevant  
4 education experience approved by the commissioner shall cover  
5 technical, safety, or environmental aspects of air conditioning and  
6 refrigeration contracting.

7 (e) The commissioner may not require an examination under  
8 this section except for approval of a correspondence course.

9 (f) The commission shall adopt fees for continuing education  
10 providers in amounts reasonable and necessary to administer this  
11 section.

12 (g) A person seeking to provide a continuing education  
13 program must meet the requirements adopted by rule of the  
14 commissioner. An applicant that meets the requirements and that is  
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24 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
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26 under that Act on the effective date of this Act is not required to  
27 fulfill continuing education required under that section to renew

1 the license before September 1, 1999.

2 SECTION 3. The importance of this legislation and the  
3 crowded condition of the calendars in both houses create an  
4 emergency and an imperative public necessity that the  
5 constitutional rule requiring bills to be read on three several  
6 days in each house be suspended, and this rule is hereby suspended.

COMMITTEE REPORT

The Honorable James E. "Pete" Laney  
Speaker of the House of Representatives

3-17-97  
(date)

Sir:  
We, your COMMITTEE ON LICENSING AND ADMINISTRATIVE PROCEDURES  
to whom was referred HB 1391 have had the same under consideration and beg to report  
back with the recommendation that it

- ☐ do pass, without amendment.
- ☐ do pass, with amendment(s).
- ☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- ☒ yes ☐ no A fiscal note was requested.
- ☐ yes ☒ no A criminal justice policy impact statement was requested.
- ☐ yes ☒ no An equalized educational funding impact statement was requested.
- ☐ yes ☒ no An actuarial analysis was requested.
- ☐ yes ☒ no A water development policy impact statement was requested.
- ☐ yes ☒ no A tax equity note was requested.
- ☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor \_\_\_\_\_

Joint Sponsors: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Co-Sponsors: \_\_\_\_\_

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Wilson, Chair				<input checked="" type="checkbox"/>
Kubiak, Vice-chair	<input checked="" type="checkbox"/>			
Goolsby	<input checked="" type="checkbox"/>			
Haggerty				<input checked="" type="checkbox"/>
Hamric				<input checked="" type="checkbox"/>
Jones, D.				<input checked="" type="checkbox"/>
Pickett	<input checked="" type="checkbox"/>			
Torres	<input checked="" type="checkbox"/>			
Yarbrough	<input checked="" type="checkbox"/>			

Total      5      aye  
                 0      nay  
                 0      present, not voting  
                 4      absent

Don Wilson  
CHAIR

## **BILL ANALYSIS**

### **LICENSING & ADMINISTRATIVE PROCEDURES**

C.S.H.B. 1391

By: Torres

3-17-97

Committee Report (Substituted)

### **BACKGROUND**

Currently, there is no mandate that licensed air conditioning contractors fulfill any continuing education requirements. However, many contractors already participate in educational seminars and training courses offered by air conditioning equipment manufacturers and professional associations to keep abreast of the complex changes in these industries.

### **PURPOSE**

C.S.H.B. 1391 requires air conditioning contractors to attend no fewer than eight (8) hours of continuing education courses approved by the Commissioner of the Texas Department of Licensing and Regulation. Proof of attendance must be provided to the Commissioner in order for the contractor's license to be renewed.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that additional rulemaking authority is granted in SECTION 1, and in SECTION 2 of the bill.

### **SECTION BY SECTION ANALYSIS**

**SECTION 1.** Amends Section 4B, Article 8861, Vernon's Civil Statutes, the Air Conditioning and Refrigeration Contractor License Law.

(a) Requires continuing education for renewal of an air conditioning and refrigeration contractor license.

(b) Each air conditioning and refrigeration contractor must provide the Commissioner with proof of attendance at no fewer than eight (8) classroom hours of continuing education, beginning with the second calendar year of licensure and each year of licensure thereafter.

(c) Allows the Commissioner to permit the substitution of relevant educational experience, including correspondence courses, manufacturer training, trade association workshops or seminars, chapter meetings, and supervised video instruction for four (4) hours classroom attendance.

(d) Four (4) hours of continuing education courses shall cover technical, safety, or environmental aspects of air conditioning and refrigeration contracting.

(e) No exam is required except for correspondence courses.

(f) The Commission shall adopt fees for continuing education providers in amounts reasonable and necessary.

(g) Providers of continuing education courses must meet requirements adopted by rule of the Commissioner. A provider shall be approved by the Commissioner for two-year periods, and may reapply to act as a provider for additional two year periods.

**SECTION 2.** Effective Date. September 1, 1997. Rules and fees shall be adopted not later than January 1, 1998. Exempts a licensee who holds a license on September 1, 1997, from continuing education requirements to renew the license before September 1, 1999.

**SECTION 3.** Emergency clause.



## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute allows the Commissioner to substitute relevant education experience for only four hours of the continuing education. This requires the contractors to be in the classroom for four hours. The substitute requires that four of the hours cover technical, safety, or environmental aspects of air conditioning and refrigeration contracting. The substitute also deletes language allowing for computer examinations.

# **LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

## **FISCAL NOTE 75th Regular Session**

March 27, 1997

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391,  
Committee Report 1st House,  
Substituted  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (Relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

### **Biennial Net Impact to General Revenue Funds by HB1391-Committee Report 1st House, Substituted**

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

### **Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

### **Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

**Five Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001		Probable Savings/(Cost) from General Revenue Fund 0001	
1998		(\$12,000)		\$112,300
1999		(43,364)		118,100
2000		(82,039)		123,900
2001		(69,335)		129,700
2002		(69,655)		132,600

**Net Impact on General Revenue Related Funds:**

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source: Agencies:  
LBB Staff: JK, TH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

March 17, 1997

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (Relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

**Biennial Net Impact to General Revenue Funds by HB1391-As Introduced**

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The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

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courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

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Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Agencies: 452 Department of Licensing and Regulation

LBB Staff: JK, TH

SUMMARY OF COMMITTEE ACTION

HB 1391

March 17, 1997 10:30AM

Considered in public hearing

Testimony taken in committee

Committee substitute considered in committee

Reported favorably without amendment(s)

WITNESS LIST

HB 1391  
HOUSE COMMITTEE REPORT  
Licensing & Administrative Procedures Committee

March 17, 1997 - 10:30A  
For: Tom Romberg (TACCA)

ADOPTED *As Amended*

APR 16 1997

*Sharon Carter*  
Chief Clerk  
House of Representatives

By TOLLES

H. B. No. 1391

Substitute the following for H. B. No. 1391:

By Harbrough

C.S. H. B. No. 1391

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AN ACT

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4B. CONTINUING EDUCATION REQUIREMENTS [PROGRAMS].

(a) The commissioner by rule shall [may] recognize or adopt [prepare,--or--administer] continuing education programs for licensees. Participation in the programs is mandatory for renewal of a license issued under this Act [voluntary].

(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended eight classroom hours of continuing education courses approved by the commissioner.

(c) The commissioner may permit the substitution of relevant education experience for four hours of classroom attendance. The substituted experience must be approved by the commissioner. For purposes of this section, relevant education experience includes participation in correspondence courses, manufacturer training,



1 trade association workshops or seminars, chapter meetings, and  
2 supervised video instruction.

3 (d) Four hours of continuing education courses or relevant  
4 education experience approved by the commissioner shall cover  
5 technical, safety, or environmental aspects of air conditioning and  
6 refrigeration contracting.

7 (e) The commissioner may not require an examination under  
8 this section except for approval of a correspondence course,

10 (f) The commission shall adopt fees for continuing education  
11 providers in amounts reasonable and necessary to administer this  
12 section.

13 (g) A person seeking to provide a continuing education  
14 program must meet the requirements adopted by rule of the  
15 commissioner. An applicant that meets the requirements and that is  
16 approved by the commissioner may provide continuing education  
17 programs until the second anniversary of the date the provider's  
18 application was approved. A provider may reapply to the  
19 commissioner to act as a provider for additional two-year periods.

20 SECTION 2. (a) This Act takes effect September 1, 1997.

21 (b) The commissioner of licensing and regulation shall adopt  
22 rules and the Texas Commission of Licensing and Regulation shall  
23 adopt fees under this Act not later than January 1, 1998.

24 (c) Notwithstanding Section 4B(b), Air Conditioning and  
25 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
26 Civil Statutes), as added by this Act, a person who holds a license  
27 under that Act on the effective date of this Act is not required to

1        fulfill continuing education required under that section to renew  
2        the license before September 1, 1999.

3                SECTION 3.    The importance of this legislation and the  
4        crowded condition of the calendars in both houses create an  
5        emergency and an imperative public necessity that the  
6        constitutional rule requiring bills to be read on three several  
7        days in each house be suspended, and this rule is hereby suspended.

LIST OF HOUSE AMENDMENTS CONSIDERED TODAY

HB1391-Second Reading

<u>AMENDMENT#</u>	<u>AUTHOR</u>	<u>DESCRIPTION</u>	<u>ACTION</u>
1	Puente	Amendment	Adopted
2	Puente	Amendment	Adopted



# ADOPTED

APR 16 1997

*Sharon Carter*  
Chief Clerk  
House of Representatives

FLOOR AMENDMENT NO.

①

BY PUENTE

Amend C.S.H.B. No. 1391 as follows:

- 1       ✓ (1) On page 1, line 18 (House Committee Printing), by  
striking "eight" and substituting "six".
- 2               (2) On page 2, line 3 (House Committee Printing), by
- 3       striking "Four" and substituting "Three".

ADOPTED

APR 16 1997

Sharon Carter  
Chief Clerk  
House of Representatives

1 FLOOR AMENDMENT NO.

2

BY Puente

2 Amend C.S.H.B. No. 1391 (House Committee Printing, on page 1,  
3 line 21), by striking "for four hours of classroom attendance" and  
4 substituting "to comply with the requirements of this section".



ADOPTED

APR 18 1997

Sharon Carter  
Chief Clerk  
House of Representatives

3rd READING

AMENDMENT NO. ②

BY Corte

1 Amend C.S.H.B. 1391 as follows:

2 1) On page 1, strike lines 8 through 12, and substitute the  
3 following: *INSTEAD*

4 "Sec. 4B. CONTINUING EDUCATION PROGRAMS. (a) The commissioner  
5 by rule shall ~~may recognize, prepare, or administer~~ establish  
6 guidelines for continuing education programs for licensees.  
7 Participation in the programs is voluntary."

8 2) On page 1, strike lines 13 through 14.

9 3) On page 2, strike lines 1 through 11 and renumber  
10 appropriately.

2ND READING  
ENGROSS

By Torres

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(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended six classroom hours of continuing education courses approved by the commissioner.

(c) The commissioner may permit the substitution of relevant education experience to comply with the requirements of this section. The substituted experience must be approved by the commissioner. For purposes of this section, relevant education experience includes participation in correspondence courses,

1 manufacturer training, trade association workshops or seminars,  
2 chapter meetings, and supervised video instruction.

3 (d) Three hours of continuing education courses or relevant  
4 education experience approved by the commissioner shall cover  
5 technical, safety, or environmental aspects of air conditioning and  
6 refrigeration contracting.

7 (e) The commissioner may not require an examination under  
8 this section except for approval of a correspondence course.

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10 providers in amounts reasonable and necessary to administer this  
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# HOUSE ENGROSSMENT

By Torres

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H.B. No. 1391

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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

March 27, 1997

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391,  
Committee Report 1st House,  
Substituted  
By: Torres

From: John Keel, Director

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**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

#### Five Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Savings/(Cost) from General Revenue Fund 0001
1998	(\$12,000)	\$112,300
1999	(43,364)	118,100
2000	(82,039)	123,900
2001	(69,335)	129,700
2002	(69,655)	132,600

#### Net Impact on General Revenue Related Funds:

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Agencies: 452 Department of Licensing and Regulation

LBB Staff: JK, TH

1-1 By: Torres (Senate Sponsor - Barrientos) H.B. No. 1391  
1-2 (In the Senate - Received from the House April 21, 1997;  
1-3 April 22, 1997, read first time and referred to Committee on  
1-4 International Relations, Trade, and Technology; May 17, 1997,  
1-5 reported favorably by the following vote: Yeas 6, Nays 1;  
1-6 May 17, 1997, sent to printer.)

1-7 A BILL TO BE ENTITLED  
1-8 AN ACT

1-9 relating to continuing education requirements for air conditioning  
1-10 and refrigeration contractors.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 4B, Air Conditioning and Refrigeration  
1-13 Contractor License Law (Article 8861, Vernon's Texas Civil  
1-14 Statutes), is amended to read as follows:

1-15 Sec. 4B. CONTINUING EDUCATION PROGRAMS. (a) The  
1-16 commissioner by rule shall establish guidelines for [~~may-recognize,~~  
1-17 ~~prepare,---or---administer~~] continuing education programs for  
1-18 licensees. Participation in the programs is voluntary.

1-19 (b) A person seeking to provide a continuing education  
1-20 program must meet the requirements adopted by rule of the  
1-21 commissioner. An applicant that meets the requirements and that is  
1-22 approved by the commissioner may provide continuing education  
1-23 programs until the second anniversary of the date the provider's  
1-24 application was approved. A provider may reapply to the  
1-25 commissioner to act as a provider for additional two-year periods.

1-26 SECTION 2. (a) This Act takes effect September 1, 1997.

1-27 (b) The commissioner of licensing and regulation shall adopt  
1-28 rules and the Texas Commission of Licensing and Regulation shall  
1-29 adopt fees under this Act not later than January 1, 1998.

1-30 (c) Notwithstanding Section 4B(b), Air Conditioning and  
1-31 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
1-32 Civil Statutes), as added by this Act, a person who holds a license  
1-33 under that Act on the effective date of this Act is not required to  
1-34 fulfill continuing education required under that section to renew  
1-35 the license before September 1, 1999.

1-36 SECTION 3. The importance of this legislation and the  
1-37 crowded condition of the calendars in both houses create an  
1-38 emergency and an imperative public necessity that the  
1-39 constitutional rule requiring bills to be read on three several  
1-40 days in each house be suspended, and this rule is hereby suspended.

1-41 \* \* \* \* \*

**FAVORABLE  
SENATE COMMITTEE REPORT ON**

SB SCR SJR SR HB HCR HJR 1391  
By Rep. Torres / Sen. Barrientos  
(Author/Senate Sponsor)  
5-17-97  
(date)

**INTERNATIONAL RELATIONS,  
TRADE, AND TECHNOLOGY**

We, your Committee on \_\_\_\_\_, to which was referred the attached measure,  
have on May 17, 1997, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass and be printed  
☐ do pass and be ordered not printed  
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☐ no

An actuarial analysis was requested. ☐ yes ☐ no

Considered by subcommittee. ☐ yes ☐ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Carlos F. Truan, Chairman	<input checked="" type="checkbox"/>			
Senator John Carona, Vice-Chairman	<input checked="" type="checkbox"/>			
Senator Kenneth Armbrister			<input checked="" type="checkbox"/>	
Senator Teel Bivins	<input checked="" type="checkbox"/>			
Senator Jon Lindsay		<input checked="" type="checkbox"/>		
Senator Steve Ogden			<input checked="" type="checkbox"/>	
Senator Bill Ratliff	<input checked="" type="checkbox"/>			
Senator Eliot Shapleigh	<input checked="" type="checkbox"/>			
Senator David Sibley	<input checked="" type="checkbox"/>			
TOTAL VOTES	6	1	2	0

**COMMITTEE ACTION**

- ☒ S260 Considered in public hearing  
☒ S270 Testimony taken

Carla D. Buchanan  
COMMITTEE CLERK

Carlos F. Truan  
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill  
Retain one copy of this form for Committee files

**HB 1391**

Registering for:

Romberg, Tom  
Texas Air Conditioning Contractors (Austin)

Registering on:

Gunn, David  
Texas Department of Licensing and Regulation (Austin)



## **BILL ANALYSIS**

Senate Research Center

H.B. 1391  
By: Torres (Barrientos)  
International Relations, Trade & Technology  
5-12-97  
Engrossed

### **DIGEST**

Currently, there is no mandate that licensed air conditioning contractors fulfill any continuing education requirements. However, many contractors already participate in educational seminars and training courses offered by air conditioning equipment manufacturers and professional associations to keep abreast of the complex changes in these industries. This bill would require air conditioning contractors to attend no fewer than eight hours of continuing education courses approved by the commissioner of the Texas Department of Licensing and Regulation. Proof of attendance must be provided to the commissioner in order for the contractor's license to be renewed.

### **PURPOSE**

As proposed, H.B. 1391 requires air conditioning contractors to attend no fewer than eight hours of continuing education courses approved by the commissioner of the Texas Department of Licensing and Regulation, and requires proof of attendance to be provided to the commissioner in order for the contractor's license to be renewed.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the commissioner of the Texas Department of Licensing and Regulation under SECTION 1 (Sections 4B(a) and(b), Article 8861, V.T.C.S.).

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 4B, Article 8861, V.T.C.S. (Air Conditioning and Refrigeration Contractor License Law), to require the commissioner of licensing and regulation (commissioner), by rule, to establish guidelines for continuing education programs for licensees, rather than authorizing the commissioner to recognize, prepare, or administer continuing education programs for licensees. Requires a person seeking to provide a continuing education program to meet the requirements adopted by rule of the commissioner. Authorizes an applicant that meets the requirements and that is approved by the commissioner to provide continuing education programs until the second anniversary of the date the provider's application was approved. Authorizes a provider to reapply to the commissioner to act as a provider for additional two-year periods.

SECTION 2. (a) Effective date: September 1, 1997.

(b) Requires the commissioner of licensing and regulation to adopt rules and the Texas Commission of Licensing and Regulation to adopt fees under this Act not later than January 1, 1998.

(c) Provides that notwithstanding Section 4B(b), Article 8861, V.T.C.S., as added by this Act, a person who holds a license under that Act on the effective date of this Act is not required to fulfill continuing education required under that section to renew the license before September 1, 1999.

SECTION 3. Emergency clause.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

May 9, 1997

To: Honorable Carlos F. Truan, Chair  
Committee on International Relations, Trade  
& Technology  
Senate  
Austin, Texas

IN RE: House Bill No. 1391, As  
Engrossed  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

**Biennial Net Impact to General Revenue Funds by HB1391-As Engrossed**

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education

courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

**Five Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General	Probable Savings/(Cost) from General
	Revenue Fund	Revenue Fund
	0001	0001
1998	(\$12,000)	\$112,300
1999	(43,364)	118,100
2000	(82,039)	123,900
2001	(69,335)	129,700
2002	(69,655)	132,600

**Net Impact on General Revenue Related Funds:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source: Agencies:

LBB Staff: JK, TH

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**75th Regular Session**

**March 27, 1997**

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391,  
Committee Report 1st House,  
Substituted

By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (Relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

**Biennial Net Impact to General Revenue Funds by HB1391-Committee Report 1st House,  
Substituted**

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The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

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Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source: Agencies:  
  
LBB Staff: JK, TH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

March 17, 1997

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (Relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

**Biennial Net Impact to General Revenue Funds by HB1391-As Introduced**

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

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Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Agencies: 452 Department of Licensing and Regulation

LBB Staff: JK, TH

# ADOPTED

MAY 24 1997

*Deputy*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY

*Damien*

AMEND H.B. 1391 BY STRIKING EVERYTHING BELOW THE ENACTING CLAUSE AND SUBSTITUTING THE FOLLOWING:

SECTION 1. Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4B. CONTINUING EDUCATION REQUIREMENTS [PROGRAMS].

(a) The commissioner by rule shall ~~[may]~~ recognize or adopt ~~[prepare, or administer]~~ continuing education programs for licensees. Participation in the programs is mandatory for renewal of a license issued under this Act ~~[voluntary]~~.

(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended six classroom hours of continuing education courses approved by the commissioner.

(c) The commissioner may permit the substitution of relevant education experience to comply with the requirements of this section. The substituted experience must be approved by the commissioner. For purposes of this section, relevant education experience includes participation in correspondence courses, manufacturer training, trade association workshops or seminars, chapter meetings, and supervised video instruction.

(d) Three hours of continuing education courses or relevant education experience approved by the commissioner shall cover technical, safety, or environmental aspects of air conditioning and refrigeration contracting.

(e) The commissioner may not require an examination under this section except for approval of a correspondence course.

(f) The commission shall adopt fees for continuing education providers in amounts reasonable and necessary to administer this section.

(g) A person seeking to provide a continuing education program must meet the requirements adopted by rule of the commissioner. An applicant that meets the requirements and that is approved by the commissioner may provide continuing education programs until the second anniversary of the date the provider's application was approved. A provider may reapply to the commissioner to act as a provider for additional two-year periods.

SECTION 2. (a) This Act takes effect September 1, 1997.

(b) The commissioner of licensing and regulation shall adopt rules and the Texas Commission of Licensing and Regulation shall adopt fees under this Act not later than January 1, 1998.

(c) Notwithstanding Section 4B(b), Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), as added by this Act, a person who holds a license under that Act on the effective date of this Act is not required to fulfill continuing education required under that section to renew the license before September 1, 1999.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.



# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By Torres

H.B. No. 1391

A BILL TO BE ENTITLED

AN ACT

relating to continuing education requirements for air conditioning and refrigeration contractors.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4B. CONTINUING EDUCATION PROGRAMS. (a) The commissioner by rule shall establish guidelines for ~~[may-recognize, prepare,--or--administer]~~ continuing education programs for licensees. Participation in the programs is voluntary.

(b) A person seeking to provide a continuing education program must meet the requirements adopted by rule of the commissioner. An applicant that meets the requirements and that is approved by the commissioner may provide continuing education programs until the second anniversary of the date the provider's application was approved. A provider may reapply to the commissioner to act as a provider for additional two-year periods.

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1 Civil Statutes), as added by this Act, a person who holds a license  
2 under that Act on the effective date of this Act is not required to  
3 fulfill continuing education required under that section to renew  
4 the license before September 1, 1999.

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6 crowded condition of the calendars in both houses create an  
7 emergency and an imperative public necessity that the  
8 constitutional rule requiring bills to be read on three several  
9 days in each house be suspended, and this rule is hereby suspended.

# ADOPTED

MAY 24 1997

*Butt, Ling*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY

*Parientos*

AMEND H.B. 1391 BY STRIKING EVERYTHING BELOW THE ENACTING CLAUSE AND SUBSTITUTING THE FOLLOWING:

SECTION 1. Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4B. CONTINUING EDUCATION REQUIREMENTS [PROGRAMS].

(a) The commissioner by rule shall [may] recognize or adopt [prepare, or administer] continuing education programs for licensees. Participation in the programs is mandatory for renewal of a license issued under this Act [voluntary].

(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended six classroom hours of continuing education courses approved by the commissioner.

(c) The commissioner may permit the substitution of relevant education experience to comply with the requirements of this section. The substituted experience must be approved by the commissioner. For purposes of this section, relevant education experience includes participation in correspondence courses, manufacturer training, trade association workshops or seminars, chapter meetings, and supervised video instruction.

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SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

May 9, 1997

To: Honorable Carlos F. Truan, Chair  
Committee on International Relations, Trade  
& Technology  
Senate  
Austin, Texas

IN RE: House Bill No. 1391, As  
Engrossed  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

<b>Biennial Net Impact to General Revenue Funds by HB1391-As Engrossed</b>
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Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

---

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

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2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source: Agencies:  
LBB Staff: JK, TH

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE**

**75th Regular Session**

March 27, 1997

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391,  
Committee Report 1st House,  
Substituted

By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (Relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

<p><b>Biennial Net Impact to General Revenue Funds by HB1391-Committee Report 1st House, Substituted</b></p>
--

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

**Five Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Savings/(Cost) from General Revenue Fund 0001
1998	(\$12,000)	\$112,300
1999	(43,364)	118,100
2000	(82,039)	123,900
2001	(69,335)	129,700
2002	(69,655)	132,600

**Net Impact on General Revenue Related Funds:**

The probable fiscal implication to General Revenue related funds during each of the first five years is estimated as follows:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source: Agencies:  
LBB Staff: JK, TH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

March 17, 1997

To: Honorable Ron Wilson, Chair  
Committee on Licensing & Administrative  
Procedures  
House  
Austin, Texas

IN RE: House Bill No. 1391  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (Relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

<b>Biennial Net Impact to General Revenue Funds by HB1391-As Introduced</b>
---

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

---

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education



courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

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2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Agencies: 452 Department of Licensing and Regulation

LBB Staff: JK, TH

FISCAL NOTE

SENATE AMENDMENTS

HB 1391

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

May 25, 1997

To: Honorable James E. "Pete" Laney  
Speaker of the House  
House of Representatives  
Austin, Texas

IN RE: House Bill No. 1391, As  
Passed 2nd House  
Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

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**Biennial Net Impact to General Revenue Funds by HB1391-As Passed 2nd House**

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Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

---

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

#### **Five Year Impact:**

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2001	(69,335)	129,700
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#### **Net Impact on General Revenue Related Funds:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source:       Agencies:

LBB Staff: JK, TH

# CONFERENCE COMMITTEE REPORT FORM

97 MAY 31 PM 4:56

Austin, Texas

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MAY 31, 1904

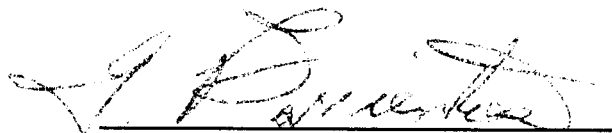
Date

Honorable Bob Bullock  
President of the Senate

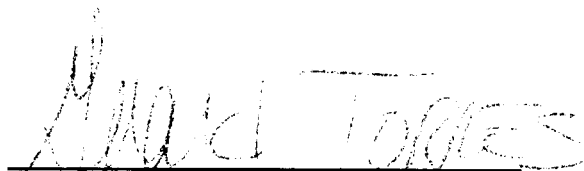
Honorable James E. "Pete" Laney  
Speaker of the House of Representatives

Sirs:

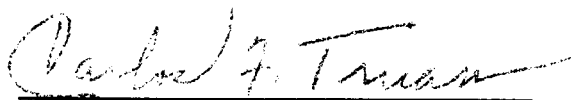
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HC 1221 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



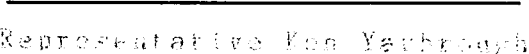
Senator Gonzalo Barrientos, Chair



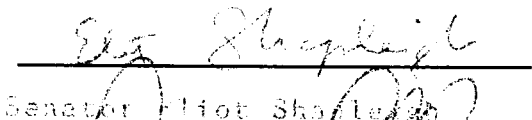
Representative Gerardo Torres, Clerk



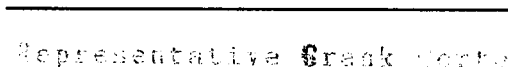
Senator Carlos Truan



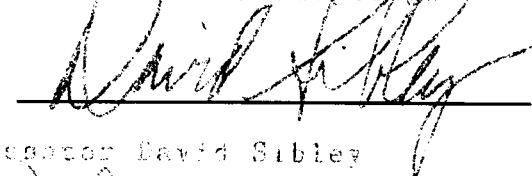
Representative Ken Yerbrugh



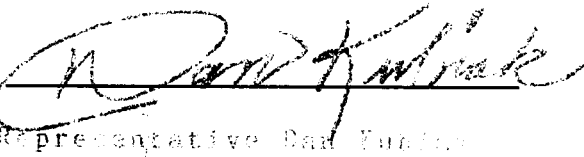
Senator Eliot Shapleigh



Representative Frank Forto



Senator David Sibley

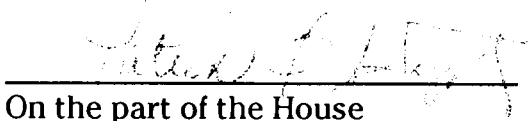


Representative Dan Yundt



On the part of the Senate

Senator John Garono



On the part of the House

Representative Jay Haggerty

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

H.B. No. 1391

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of air conditioning and refrigeration contracting.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended by amending Subdivisions (6) and (7) and adding Subdivisions (14) and (15) to read as follows:

(6) "Person" means an individual, firm, partnership, corporation, association, or other organization or combination of entities or organizations.

(7) "Air conditioning and refrigeration maintenance work" means repair work and all other work required for the continued normal performance of an environmental air conditioning system, commercial refrigeration system or equipment, or process cooling or heating system. The term does not include the installation of a total replacement of the system or the installation or repair of boilers or pressure vessels [~~that-must-be installed-by-licensed-persons-pursuant-to-rules-and-regulations adopted-by-the-commissioner~~] under Chapter 755, Health and Safety Code.

(14) "Air conditioning and refrigeration contracting company" means a person or other entity that performs air conditioning and refrigeration contracting.

1           (15) "Direct personal supervision" means directing and  
2 verifying work performed by another person that requires a license  
3 under this Act and includes hiring, training, and consulting with  
4 an employee, personally observing and checking the work of an  
5 employee, and having responsibility for handling customer  
6 complaints.

7           SECTION 2. Section 3(e), Air Conditioning and Refrigeration  
8 Contractor License Law (Article 8861, Vernon's Texas Civil  
9 Statutes), is amended to read as follows:

10           (e) The commissioner shall prescribe the method and content  
11 of examinations administered under this Act and shall set  
12 compliance requirements for the examinations. The examinations  
13 [~~shall--be-offered-only-in-Travis-County-and~~] shall be offered on a  
14 quarterly basis at locations designated by the commissioner.

15           SECTION 3. Section 3A, Air Conditioning and Refrigeration  
16 Contractor License Law (Article 8861, Vernon's Texas Civil  
17 Statutes), is amended by adding Subsection (i) to read as follows:

18           (i) Section 8, Article 6252-33, Revised Statutes, does not  
19 apply to the advisory board.

20           SECTION 4. Section 3B, Air Conditioning and Refrigeration  
21 Contractor License Law (Article 8861, Vernon's Texas Civil  
22 Statutes), is amended to read as follows:

23           Sec. 3B. LICENSE REQUIRED. (a) Unless the person is  
24 exempted under Section 6 of this Act, a person may not perform air  
25 conditioning and refrigeration contracting without a license under  
26 this Act. An individual is not required to hold a license under  
27 this Act if the individual is a bona fide employee of an air



1 conditioning and refrigeration contracting company that has a  
2 license holder whose license is assigned to the company and who has  
3 responsibility for direct personal supervision of the individual.

4 (b) An air conditioning and refrigeration contracting  
5 company that is not exempt under this Act must employ a person who  
6 is a license holder under this Act and whose license is assigned to  
7 the company.

8 SECTION 5. The Air Conditioning and Refrigeration Contractor  
9 License Law (Article 8861, Vernon's Texas Civil Statutes) is  
10 amended by adding Section 3C to read as follows:

11 Sec. 3C. ENFORCEMENT OF CONTRACTS. (a) A person who  
12 performs air conditioning and refrigeration contracting without  
13 holding the appropriate license under this Act may not collect a  
14 fee or otherwise enforce a contract for the services performed. To  
15 enforce a contract for the performance of air conditioning and  
16 refrigeration contracting, the person who performs the services  
17 must present proof that the person holds a license under this Act  
18 at the time the contract is signed and the work performed.

19 (b) The commissioner shall adopt rules relating to the  
20 manner in which proof may be presented under this section.

21 SECTION 6. Sections 4(f) and (g), Air Conditioning and  
22 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
23 Civil Statutes), are amended to read as follows:

24 (f) The application must be made on a form prescribed by the  
25 commissioner and must specify the class of license and each  
26 endorsement the applicant seeks. The application must be verified  
27 and must be accompanied by:

1                   (1) ~~[evidence-of-the-insurance-coverage-required-under~~  
2 ~~this-Act,~~

3                   [+2+] a statement of the applicant's practical  
4 experience; and

5                   (2) [+3+] the examination fee.

6           (g) The commissioner shall issue an air conditioning and  
7 refrigeration contractor license to an applicant who possesses the  
8 required qualifications, passes the appropriate examinations,  
9 furnishes evidence of the insurance coverage required under this  
10 Act, and pays the ~~[examination-fee-and-the]~~ original license fee  
11 required by this Act. An applicant who fails an examination is  
12 eligible for reexamination.

13           SECTION 7. Section 4B, Air Conditioning and Refrigeration  
14 Contractor License Law (Article 8861, Vernon's Texas Civil  
15 Statutes), is amended to read as follows:

16           Sec. 4B. CONTINUING EDUCATION REQUIREMENTS [PROGRAMS].

17           (a) The commissioner by rule shall [may] recognize or adopt[+  
18 ~~prepare,---or---administer~~] continuing education programs for  
19 licensees. Participation in the programs is mandatory for renewal  
20 of a license issued under this Act [~~voluntary~~].

21           (b) A license holder is not required to participate in  
22 continuing education until the second anniversary of the date the  
23 license holder was initially licensed under this Act. A license  
24 holder required to participate in continuing education must  
25 annually provide proof to the commissioner that the license holder  
26 in the preceding year has attended six classroom hours of  
27 continuing education courses approved by the commissioner.

1        (c) The commissioner may permit the substitution of relevant  
2 education experience to comply with the requirements of this  
3 section. The substituted experience must be approved by the  
4 commissioner. For purposes of this section, relevant education  
5 experience includes participation in correspondence courses,  
6 manufacturer training, trade association workshops or seminars,  
7 chapter meetings, and supervised video instruction.

8        (d) Three hours of continuing education courses or relevant  
9 education experience approved by the commissioner shall cover  
10 technical, safety, or environmental aspects of air conditioning and  
11 refrigeration contracting.

12        (e) The commissioner may not require an examination under  
13 this section except for approval of a correspondence course.

14        (f) The commission shall adopt fees for continuing education  
15 providers in amounts reasonable and necessary to administer this  
16 section.

17        (g) A person seeking to provide a continuing education  
18 program must meet the requirements adopted by rule of the  
19 commissioner. An applicant that meets the requirements and that is  
20 approved by the commissioner may provide continuing education  
21 programs until the second anniversary of the date the provider's  
22 application was approved. A provider may reapply to the  
23 commissioner to act as a provider for additional two-year periods.

24        SECTION 8.    Section 6(a), Air Conditioning and Refrigeration  
25 Contractor License Law (Article 8861, Vernon's Texas Civil  
26 Statutes), is amended to read as follows:

27        (a) This Act does not apply to a person who:

1                   (1) performs air conditioning and refrigeration  
2 contracting in a building owned solely by him as his home;

3                   (2) performs air conditioning or refrigeration  
4 maintenance work if (i) the person is a maintenance man or  
5 maintenance engineer who is a regular bona fide employee of the  
6 property owner, the property lessee, or the management company  
7 managing the property where the maintenance work is being  
8 performed, (ii) the work is performed in connection with the  
9 business in which the person is employed, and (iii) the person and  
10 the person's employer referred to in (i) above do not engage in the  
11 occupation of air conditioning and refrigeration contracting for  
12 the general public;

13                   (3) performs air conditioning and refrigeration  
14 contracting and is regularly employed by a regulated electric or  
15 gas utility;

16                   (4) is licensed as a professional engineer under The  
17 Texas Engineering Practice Act (Article 3271a, Vernon's Texas Civil  
18 Statutes), performs work in connection with the business in which  
19 the person is employed, and does not engage in the practice of air  
20 conditioning and refrigeration contracting for the general public;

21                   (5) performs process cooling or heating work for an  
22 industrial operation such as a chemical plant, petrochemical plant,  
23 refinery, natural gas plant, or natural gas treating plant when  
24 employed by that operation;

25                   (6) performs air conditioning and refrigeration  
26 contracting on:

27                               (A) a portable or self-contained ductless air

1 conditioning or refrigeration product that has a cooling capacity  
2 of three tons or less;

3 (B) a portable or self-contained heating product  
4 that does not require the forced movement of air outside the  
5 heating unit; or

6 (C) environmental air conditioning equipment  
7 that is intended for temporary use and is not fixed in place; [or]

8 (7) performs air conditioning services only on a motor  
9 vehicle air conditioning unit or who employs a person who performs  
10 air conditioning services only on a motor vehicle air conditioning  
11 unit; or

12 (8) performs air conditioning and refrigeration  
13 maintenance work on residential evaporative coolers, including  
14 coolers that are not larger than 6,500 cubic feet per minute.

15 SECTION 9. Section 7, Air Conditioning and Refrigeration  
16 Contractor License Law (Article 8861, Vernon's Texas Civil  
17 Statutes), is amended to read as follows:

18 Sec. 7. REPORTING REQUIREMENT. (a) Each air conditioning  
19 and refrigeration contractor [person] licensed under this Act shall  
20 notify the municipal authority who has control of the enforcement  
21 of regulations relative to air conditioning and refrigeration  
22 contracting in the municipality in which the person is engaged in  
23 air conditioning and refrigeration contracting that the person has  
24 obtained a state license.

25 (b) The notification must be in the form required by the  
26 municipality.

27 (c) The amount of a fee imposed by a municipality on a

1 contractor to provide notice under this section may be set by the  
2 municipality only in the amount reasonable and necessary to  
3 implement this section.

4 SECTION 10. Section 8, Air Conditioning and Refrigeration  
5 Contractor License Law (Article 8861, Vernon's Texas Civil  
6 Statutes), is amended to read as follows:

7 Sec. 8. PENALTY. Except as provided in Section 9, a person  
8 commits an offense if the person knowingly or intentionally engages  
9 in air conditioning and refrigeration contracting without a license  
10 issued under this Act. An offense under this section is a Class A  
11 [B] misdemeanor.

12 SECTION 11. Section 9, Air Conditioning and Refrigeration  
13 Contractor License Law (Article 8861, Vernon's Texas Civil  
14 Statutes), is amended to read as follows:

15 Sec. 9. MUNICIPAL REGULATION. (a) A license issued by a  
16 municipality of this state that complies with the requirements of  
17 this section is valid under the terms of the license within that  
18 municipality. However, a license issued under this Act is valid  
19 throughout the state, and the holder and people under supervision  
20 are not required to hold a municipal license to practice air  
21 conditioning and refrigeration contracting in any municipality  
22 within this state.

23 (b) An applicant for a municipal license must:

24 (1) pass an examination that covers the same subjects  
25 as the examination required by the commissioner for an air  
26 conditioning and refrigeration contractor license of the class of  
27 work that the municipal applicant proposes to perform; and

1           (2) meet experience requirements that are at least as  
2 strict as those required under Section 4(e) of this Act for an air  
3 conditioning and refrigeration contractor license.

4           (c) A municipality may by ordinance adopt and enforce  
5 standards for air conditioning and refrigeration contractors that  
6 are consistent with the standards established under this Act. The  
7 municipality shall report violations of the ordinance to the  
8 commissioner not later than the 10th day after the date on which  
9 the municipality takes action to enforce the ordinance. Conviction  
10 of an offense under the municipal ordinance is a ground for the  
11 denial, suspension, or revocation of a license issued under this  
12 Act.

13           SECTION 12. Section 23(c), The Real Estate License Act  
14 (Article 6573a, Vernon's Texas Civil Statutes), is amended by  
15 adding Subdivision (4) to read as follows:

16           (4) In addition to the license requirements imposed  
17 under Subdivisions (1), (2), and (3) of this subsection, a business  
18 entity that inspects an environmental air conditioning system,  
19 commercial refrigeration system, or process cooling or heating  
20 system as part of a real estate inspection conducted under this Act  
21 must employ a person who holds the appropriate air conditioning and  
22 refrigeration contractor licenses and endorsements under the Air  
23 Conditioning and Refrigeration Contractor License Law (Article  
24 8861, Vernon's Texas Civil Statutes). An employee who does not  
25 hold a license or endorsement under the Air Conditioning and  
26 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
27 Civil Statutes) may perform the inspection under the direction of

1 the license holder. For purposes of this Act, an inspection of  
2 environmental air conditioning, commercial refrigeration, and  
3 process cooling and heating equipment means an inspection that  
4 includes the use of electronic instruments, gauges, thermometers,  
5 mechanical instruments, or other meters that require direct in-line  
6 connection to the refrigeration system.

7 SECTION 13. Section 25, Residential Service Company Act  
8 (Article 6573b, Revised Statutes), is amended to read as follows:

9 Sec. 25. EXEMPTIONS. The provisions of this Act shall not  
10 apply to any of the following persons and transactions, and each  
11 and all of the following persons and transactions are hereby  
12 exempted from the provisions of this Act, to wit:

13 (a) performance guarantees given by either the builder  
14 of a home or the manufacturer or seller of an appliance or other  
15 system or component;

16 (b) any residential service contract executed on or  
17 before the effective date of this Act;

18 (c) any service contract, guarantee, or warranty  
19 intending to guarantee or warrant the repairs or service of a home  
20 appliance, system, or component, provided such service contract,  
21 guarantee, or warranty is issued by a person who has sold,  
22 serviced, repaired, or provided replacement of such appliance,  
23 system, or component at the time of, or prior to the issuance of  
24 such contract, guarantee, or warranty; and provided further that  
25 the person issuing the service contract, guarantee, or warranty  
26 does not engage in the business of a service company;

27 (d) any person engaging in the business of structural



1 pest control in compliance with the Texas Structural Pest Control  
2 Act, as amended (Article 135b-6, Vernon's Texas Civil Statutes,  
3 1925);

4 (e) any person who performs air conditioning and  
5 refrigeration contracting in compliance with the Air Conditioning  
6 and Refrigeration Contractor License Law (Article 8861, Vernon's  
7 Texas Civil Statutes); and

8 (f) any service or maintenance contract or agreement,  
9 or warranty, which provides for, warrants, or guarantees, the  
10 maintenance, repair, service, replacement, or operation or  
11 performance, of any product or part thereof, including but not  
12 limited to a structural component, the appliances, or the  
13 electrical, plumbing, heating, cooling or air-conditioning systems  
14 in or of a building or residence, provided such service or  
15 maintenance contract or agreement, or warranty is sold, offered for  
16 sale, or issued by the manufacturer or merchant who manufactured or  
17 sold such product or part thereof.

18 SECTION 14. (a) This Act takes effect September 1, 1997.

19 (b) Section 8, Air Conditioning and Refrigeration Contractor  
20 License Law (Article 8861, Vernon's Texas Civil Statutes), as  
21 amended by this Act, applies only to an offense committed on or  
22 after the effective date of this Act. For purposes of this  
23 section, an offense is committed before the effective date of this  
24 Act if any element of the offense occurs before that date.

25 (c) An offense committed before the effective date of this  
26 Act is governed by the law in effect when the offense was  
27 committed, and the former law is continued in effect for that

1 purpose.

2 SECTION 15. (a) Except as provided by Subsection (b) of  
3 this section, Section 9, Air Conditioning and Refrigeration  
4 Contractor License Law (Article 8861, Vernon's Texas Civil  
5 Statutes), as amended by this Act, applies to a municipal license  
6 that is issued or renewed on or after the effective date of this  
7 Act. A municipality subject to that section shall adopt  
8 examination requirements in compliance with that section not later  
9 than January 1, 1998.

10 (b) To continue to engage in the practice of air  
11 conditioning and refrigeration contracting after September 1, 1997,  
12 a person who holds a municipal license on the effective date of  
13 this Act must satisfy the examination requirements of Section 9(b),  
14 Air Conditioning and Refrigeration Contractor License Law (Article  
15 8861, Vernon's Texas Civil Statutes), as amended by this Act, not  
16 later than June 1, 1998.

17 SECTION 16. (a) Not later than December 31, 1997, the  
18 commissioner of licensing and regulation shall adopt rules as  
19 required by Section 3C, Air Conditioning and Refrigeration  
20 Contractor License Law (Article 8861, Vernon's Texas Civil  
21 Statutes), as added by this Act.

22 (b) Section 23(c), The Real Estate License Act (Article  
23 6573a, Vernon's Texas Civil Statutes), as amended by this Act,  
24 applies only to a real estate inspection that is conducted on or  
25 after the effective date of this Act. A real estate inspection  
26 conducted before that date is governed by the law in effect on the  
27 date that the inspection occurs, and the former law is continued in

1 effect for that purpose.

2 (c) Section 25, Residential Service Company Act (Article  
3 6573b, Revised Statutes), as amended by this Act, applies only to a  
4 residential service contract that is entered into on or after the  
5 effective date of this Act. A residential service contract that is  
6 entered into before that date is governed by the law in effect on  
7 the date that the contract is entered into, and the former law is  
8 continued in effect for that purpose.

9 (d) The commissioner of licensing and regulation shall adopt  
10 rules and the Texas Commission of Licensing and Regulation shall  
11 adopt fees under Section 4B, Air Conditioning and Refrigeration  
12 Contractor License Law (Article 8861, Vernon's Texas Civil  
13 Statutes), as amended by this Act not later than January 1, 1998.

14 (e) Notwithstanding Section 4B(b), Air Conditioning and  
15 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
16 Civil Statutes), as added by this Act, a person who holds a license  
17 under that Act on the effective date of this Act is not required to  
18 fulfill continuing education required under that section to renew  
19 the license before September 1, 1999.

20 SECTION 17. The importance of this legislation and the  
21 crowded condition of the calendars in both houses create an  
22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
No equivalent provision.	No equivalent provision.	SECTION 1. Amends Section 2, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to change the definitions of "person" and "air conditioning and refrigeration maintenance work." Adds definitions of "air conditioning and refrigeration contracting company" and "direct personal supervision."
No equivalent provision.	No equivalent provision.	SECTION 2. Amends Section 3(e), Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to remove the provision requiring the exam to be held in Travis County and authorizes the commissioner to designate the locations.
No equivalent provision.	No equivalent provision.	SECTION 3. Amends Section 3A, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), by adding (i) to provide that Section 8, Article 6252-33, Revised Statutes, does not apply to the advisory board.
No equivalent provision.	No equivalent provision.	SECTION 4. Amends Section 3B, Air Conditioning and Refrigeration Contractor License Law (Article 8861 V.T.C.S.). LICENSE REQUIRED; CITATION. Provides for certain license exemptions. Requires that a nonexempt company under this Act must employ a person who is a license holder and whose license is assigned to the company.
No equivalent provision.	No equivalent provision.	SECTION 5. Amends Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), by adding

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 1. Amends Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861 V.T.C.S.), to require, rather than authorize, the commissioner to establish guidelines continuing education programs. Sets out requirements for persons seeking to provide continuing education programs. Provider status is valid for two years.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 1. Amends Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861 V.T.C.S.), to require the commissioner to recognize or adopt continuing education programs for licensees. Provides that participation in the program is mandatory for license renewal. Sets out provisions governing continuing education requirements, including participation, substitution of relevant education experience, curriculum, examinations, and fees. Provision relating to continuing education providers same as House version.

No equivalent provision.

No equivalent provision.

Section 3C to provide conditions for enforcement of contracts.

SECTION 6. Amends Section 4(f) and (g), Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to remove a provision requiring evidence of insurance to be submitted with the license application. Adds evidence of insurance as a requirement for license issuance. Makes change related to fee.

SECTION 7. Same as Senate version.

SECTION 8. Amends Section 6(a), Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to provide an exemption from this Act for persons performing certain air conditioning and refrigeration maintenance work.

SECTION 9. Amends Section 7, Air Conditioning and

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
		Refrigeration Contractor License Law (Article 8861 V.T.C.S.), to strike the word "person" and replace with "air conditioning and refrigeration contractor." Authorizes a municipality to set a fee on a contractor only in an amount reasonable and necessary to implement this section.
No equivalent provision.	No equivalent provision.	SECTION 10. Amends Section 8, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to change an offense from a Class B misdemeanor to a Class A misdemeanor.
No equivalent provision.	No equivalent provision.	SECTION 11. Amends Section 9, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to provide for municipal license regulation.
No equivalent provision.	No equivalent provision.	SECTION 12. Amends Section 23(c), The Real Estate License Act, (Article 6573a, V.T.C.S.) by adding (4), to set out provisions governing a business entity that conducts certain inspections. Defines inspection of environmental air conditioning, commercial refrigeration, and process cooling and heating equipment.
No equivalent provision.	No equivalent provision.	SECTION 13. Amends Section 25, Residential Service Company Act, (Article 6573b, Revised Statutes) to provide for certain exemptions under the Act.
No equivalent provision, except for effective date contained in SECTION 2.	Same as House version.	SECTION 14. Effective date. Transition provision relating to offenses.

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

**HOUSE VERSION**

No equivalent provision.

SECTION 2. (a) Effective date. (b) Requires commissioner of licensing and regulation to adopt rules and the Texas Commission of Licensing and Regulation to adopt fees not later than January 1, 1998. (c) Provides that a person who holds a license on the effective date of this Act is not required to fulfill continuing education requirements to renew the license before September 1, 1999.

SECTION 3. Emergency clause.

**SENATE VERSION**

No equivalent provision.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

**CONFERENCE**

SECTION 15. Transition provisions relating to municipal licenses and examinations.

SECTION 16. Same as House version (b) and (c), except to add transition provisions relating to rulemaking, real estate inspections, and residential service contracts.

SECTION 17. Same as House version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

May 25, 1997

To: Honorable James E. "Pete" Laney  
Speaker of the House  
House of Representatives  
Austin, Texas

IN RE: House Bill No. 1391, As  
Passed 2nd House  
Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

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**Biennial Net Impact to General Revenue Funds by HB1391-As Passed 2nd House**

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Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

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The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**



The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

#### **Five Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Savings/(Cost) from General Revenue Fund 0001
1998	(\$12,000)	\$112,300
1999	(43,364)	118,100
2000	(82,039)	123,900
2001	(69,335)	129,700
2002	(69,655)	132,600

#### **Net Impact on General Revenue Related Funds:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source:        Agencies:

LBB Staff: JK, TH

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE 75th Regular Session

May 9, 1997

To: Honorable Carlos F. Truan, Chair  
Committee on International Relations, Trade  
& Technology  
Senate  
Austin, Texas

IN RE: House Bill No. 1391, As  
Engrossed  
By: Torres

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (relating to continuing education requirements for air conditioning and refrigeration contractors.) this office has determined the following:

### Biennial Net Impact to General Revenue Funds by HB1391-As Engrossed

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

### Fiscal Analysis

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

### Methodology

The agency assumes that the number of license holders, and those who have expired licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education

courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

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Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source:           Agencies:  
  
LBB Staff: JK, TH

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

MAY 31, 1997

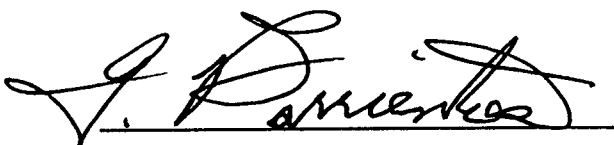
Date

Honorable Bob Bullock  
President of the Senate

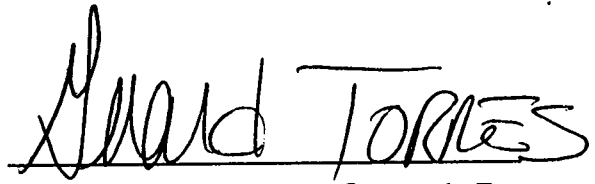
Honorable James E. "Pete" Laney  
Speaker of the House of Representatives

Sirs:

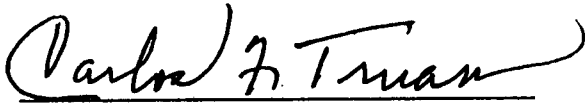
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HR 1391 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



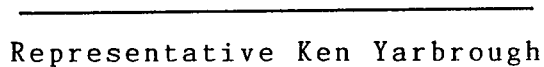
Senator Gonzalo Barrientos, Chair



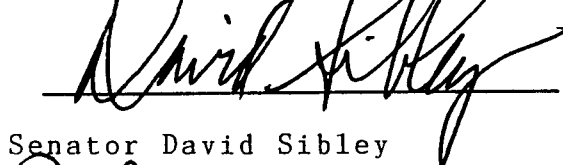
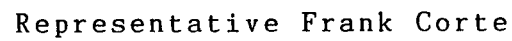
Representative Gerard Torres, Chair



Senator Carlos Truan



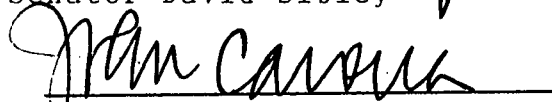
Senator Eliot Shapleigh



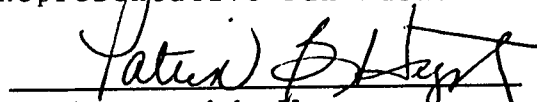
Senator David Sibley



Representative Dan Kubiak



On the part of the Senate



On the part of the House

Senator John Carona

Representative Pat Haggerty

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 1391

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of air conditioning and refrigeration contracting.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended by amending Subdivisions (6) and (7) and adding Subdivisions (14) and (15) to read as follows:

(6) "Person" means an individual, firm, partnership, corporation, association, or other organization or combination of entities or organizations.

(7) "Air conditioning and refrigeration maintenance work" means repair work and all other work required for the continued normal performance of an environmental air conditioning system, commercial refrigeration system or equipment, or process cooling or heating system. The term does not include the installation of a total replacement of the system or the installation or repair of boilers or pressure vessels [~~that-must-be installed-by-licensed-persons-pursuant--to--rules--and--regulations adopted--by--the-commissioner~~] under Chapter 755, Health and Safety Code.

(14) "Air conditioning and refrigeration contracting company" means a person or other entity that performs air conditioning and refrigeration contracting.

1           (15) "Direct personal supervision" means directing and  
2 verifying work performed by another person that requires a license  
3 under this Act and includes hiring, training, and consulting with  
4 an employee, personally observing and checking the work of an  
5 employee, and having responsibility for handling customer  
6 complaints.

7           SECTION 2. Section 3(e), Air Conditioning and Refrigeration  
8 Contractor License Law (Article 8861, Vernon's Texas Civil  
9 Statutes), is amended to read as follows:

10           (e) The commissioner shall prescribe the method and content  
11 of examinations administered under this Act and shall set  
12 compliance requirements for the examinations. The examinations  
13 ~~[shall--be-offered-only-in-Travis-County-and]~~ shall be offered on a  
14 quarterly basis at locations designated by the commissioner.

15           SECTION 3. Section 3A, Air Conditioning and Refrigeration  
16 Contractor License Law (Article 8861, Vernon's Texas Civil  
17 Statutes), is amended by adding Subsection (i) to read as follows:

18           (i) Section 8, Article 6252-33, Revised Statutes, does not  
19 apply to the advisory board.

20           SECTION 4. Section 3B, Air Conditioning and Refrigeration  
21 Contractor License Law (Article 8861, Vernon's Texas Civil  
22 Statutes), is amended to read as follows:

23           Sec. 3B. LICENSE REQUIRED. (a) Unless the person is  
24 exempted under Section 6 of this Act, a person may not perform air  
25 conditioning and refrigeration contracting without a license under  
26 this Act. An individual is not required to hold a license under  
27 this Act if the individual is a bona fide employee of an air

1 conditioning and refrigeration contracting company that has a  
2 license holder whose license is assigned to the company and who has  
3 responsibility for direct personal supervision of the individual.

4 (b) An air conditioning and refrigeration contracting  
5 company that is not exempt under this Act must employ a person who  
6 is a license holder under this Act and whose license is assigned to  
7 the company.

8 SECTION 5. The Air Conditioning and Refrigeration Contractor  
9 License Law (Article 8861, Vernon's Texas Civil Statutes) is  
10 amended by adding Section 3C to read as follows:

11 Sec. 3C. ENFORCEMENT OF CONTRACTS. (a) A person who  
12 performs air conditioning and refrigeration contracting without  
13 holding the appropriate license under this Act may not collect a  
14 fee or otherwise enforce a contract for the services performed. To  
15 enforce a contract for the performance of air conditioning and  
16 refrigeration contracting, the person who performs the services  
17 must present proof that the person holds a license under this Act  
18 at the time the contract is signed and the work performed.

19 (b) The commissioner shall adopt rules relating to the  
20 manner in which proof may be presented under this section.

21 SECTION 6. Sections 4(f) and (g), Air Conditioning and  
22 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
23 Civil Statutes), are amended to read as follows:

24 (f) The application must be made on a form prescribed by the  
25 commissioner and must specify the class of license and each  
26 endorsement the applicant seeks. The application must be verified  
27 and must be accompanied by:



(1) ~~[evidence-of-the-insurance-coverage-required-under this-Act]~~

~~[+2]~~ a statement of the applicant's practical experience; and

(2) [+3] the examination fee.

(g) The commissioner shall issue an air conditioning and refrigeration contractor license to an applicant who possesses the required qualifications, passes the appropriate examinations, furnishes evidence of the insurance coverage required under this Act, and pays the ~~[examination-fee-and-the]~~ original license fee required by this Act. An applicant who fails an examination is eligible for reexamination.

SECTION 7. Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4B. CONTINUING EDUCATION REQUIREMENTS [PROGRAMS].

(a) The commissioner by rule shall ~~[may]~~ recognize or adopt~~[prepare---or---administer]~~ continuing education programs for licensees. Participation in the programs is mandatory for renewal of a license issued under this Act ~~[voluntary]~~.

(b) A license holder is not required to participate in continuing education until the second anniversary of the date the license holder was initially licensed under this Act. A license holder required to participate in continuing education must annually provide proof to the commissioner that the license holder in the preceding year has attended six classroom hours of continuing education courses approved by the commissioner.

1        (c) The commissioner may permit the substitution of relevant  
2 education experience to comply with the requirements of this  
3 section. The substituted experience must be approved by the  
4 commissioner. For purposes of this section, relevant education  
5 experience includes participation in correspondence courses,  
6 manufacturer training, trade association workshops or seminars,  
7 chapter meetings, and supervised video instruction.

8        (d) Three hours of continuing education courses or relevant  
9 education experience approved by the commissioner shall cover  
10 technical, safety, or environmental aspects of air conditioning and  
11 refrigeration contracting.

12        (e) The commissioner may not require an examination under  
13 this section except for approval of a correspondence course.

14        (f) The commission shall adopt fees for continuing education  
15 providers in amounts reasonable and necessary to administer this  
16 section.

17        (g) A person seeking to provide a continuing education  
18 program must meet the requirements adopted by rule of the  
19 commissioner. An applicant that meets the requirements and that is  
20 approved by the commissioner may provide continuing education  
21 programs until the second anniversary of the date the provider's  
22 application was approved. A provider may reapply to the  
23 commissioner to act as a provider for additional two-year periods.

24        SECTION 8.    Section 6(a), Air Conditioning and Refrigeration  
25 Contractor License Law (Article 8861, Vernon's Texas Civil  
26 Statutes), is amended to read as follows:

27        (a) This Act does not apply to a person who:

1                   (1) performs air conditioning and refrigeration  
2     contracting in a building owned solely by him as his home;

3                   (2) performs air conditioning or refrigeration  
4     maintenance work if (i) the person is a maintenance man or  
5     maintenance engineer who is a regular bona fide employee of the  
6     property owner, the property lessee, or the management company  
7     managing the property where the maintenance work is being  
8     performed, (ii) the work is performed in connection with the  
9     business in which the person is employed, and (iii) the person and  
10    the person's employer referred to in (i) above do not engage in the  
11    occupation of air conditioning and refrigeration contracting for  
12    the general public;

13                  (3) performs air conditioning and refrigeration  
14    contracting and is regularly employed by a regulated electric or  
15    gas utility;

16                  (4) is licensed as a professional engineer under The  
17    Texas Engineering Practice Act (Article 3271a, Vernon's Texas Civil  
18    Statutes), performs work in connection with the business in which  
19    the person is employed, and does not engage in the practice of air  
20    conditioning and refrigeration contracting for the general public;

21                  (5) performs process cooling or heating work for an  
22    industrial operation such as a chemical plant, petrochemical plant,  
23    refinery, natural gas plant, or natural gas treating plant when  
24    employed by that operation;

25                  (6) performs air conditioning and refrigeration  
26    contracting on:

27                         (A) a portable or self-contained ductless air

1 conditioning or refrigeration product that has a cooling capacity  
2 of three tons or less;

3 (B) a portable or self-contained heating product  
4 that does not require the forced movement of air outside the  
5 heating unit; or

6 (C) environmental air conditioning equipment  
7 that is intended for temporary use and is not fixed in place; [or]

8 (7) performs air conditioning services only on a motor  
9 vehicle air conditioning unit or who employs a person who performs  
10 air conditioning services only on a motor vehicle air conditioning  
11 unit; or

12 (8) performs air conditioning and refrigeration  
13 maintenance work on residential evaporative coolers, including  
14 coolers that are not larger than 6,500 cubic feet per minute.

15 SECTION 9. Section 7, Air Conditioning and Refrigeration  
16 Contractor License Law (Article 8861, Vernon's Texas Civil  
17 Statutes), is amended to read as follows:

18 Sec. 7. REPORTING REQUIREMENT. (a) Each air conditioning  
19 and refrigeration contractor [person] licensed under this Act shall  
20 notify the municipal authority who has control of the enforcement  
21 of regulations relative to air conditioning and refrigeration  
22 contracting in the municipality in which the person is engaged in  
23 air conditioning and refrigeration contracting that the person has  
24 obtained a state license.

25 (b) The notification must be in the form required by the  
26 municipality.

27 (c) The amount of a fee imposed by a municipality on a

1 the license holder. For purposes of this Act, an inspection of  
2 environmental air conditioning, commercial refrigeration, and  
3 process cooling and heating equipment means an inspection that  
4 includes the use of electronic instruments, gauges, thermometers,  
5 mechanical instruments, or other meters that require direct in-line  
6 connection to the refrigeration system.

7 SECTION 13. Section 25, Residential Service Company Act  
8 (Article 6573b, Revised Statutes), is amended to read as follows:

9 Sec. 25. EXEMPTIONS. The provisions of this Act shall not  
10 apply to any of the following persons and transactions, and each  
11 and all of the following persons and transactions are hereby  
12 exempted from the provisions of this Act, to wit:

13 (a) performance guarantees given by either the builder  
14 of a home or the manufacturer or seller of an appliance or other  
15 system or component;

16 (b) any residential service contract executed on or  
17 before the effective date of this Act;

18 (c) any service contract, guarantee, or warranty  
19 intending to guarantee or warrant the repairs or service of a home  
20 appliance, system, or component, provided such service contract,  
21 guarantee, or warranty is issued by a person who has sold,  
22 serviced, repaired, or provided replacement of such appliance,  
23 system, or component at the time of, or prior to the issuance of  
24 such contract, guarantee, or warranty; and provided further that  
25 the person issuing the service contract, guarantee, or warranty  
26 does not engage in the business of a service company;

27 (d) any person engaging in the business of structural

1 pest control in compliance with the Texas Structural Pest Control  
2 Act, as amended (Article 135b-6, Vernon's Texas Civil Statutes,  
3 1925);

4 (e) any person who performs air conditioning and  
5 refrigeration contracting in compliance with the Air Conditioning  
6 and Refrigeration Contractor License Law (Article 8861, Vernon's  
7 Texas Civil Statutes); and

8 (f) any service or maintenance contract or agreement,  
9 or warranty, which provides for, warrants, or guarantees, the  
10 maintenance, repair, service, replacement, or operation or  
11 performance, of any product or part thereof, including but not  
12 limited to a structural component, the appliances, or the  
13 electrical, plumbing, heating, cooling or air-conditioning systems  
14 in or of a building or residence, provided such service or  
15 maintenance contract or agreement, or warranty is sold, offered for  
16 sale, or issued by the manufacturer or merchant who manufactured or  
17 sold such product or part thereof.

18 SECTION 14. (a) This Act takes effect September 1, 1997.

19 (b) Section 8, Air Conditioning and Refrigeration Contractor  
20 License Law (Article 8861, Vernon's Texas Civil Statutes), as  
21 amended by this Act, applies only to an offense committed on or  
22 after the effective date of this Act. For purposes of this  
23 section, an offense is committed before the effective date of this  
24 Act if any element of the offense occurs before that date.

25 (c) An offense committed before the effective date of this  
26 Act is governed by the law in effect when the offense was  
27 committed, and the former law is continued in effect for that

1 purpose.

2 SECTION 15. (a) Except as provided by Subsection (b) of  
3 this section, Section 9, Air Conditioning and Refrigeration  
4 Contractor License Law (Article 8861, Vernon's Texas Civil  
5 Statutes), as amended by this Act, applies to a municipal license  
6 that is issued or renewed on or after the effective date of this  
7 Act. A municipality subject to that section shall adopt  
8 examination requirements in compliance with that section not later  
9 than January 1, 1998.

10 (b) To continue to engage in the practice of air  
11 conditioning and refrigeration contracting after September 1, 1997,  
12 a person who holds a municipal license on the effective date of  
13 this Act must satisfy the examination requirements of Section 9(b),  
14 Air Conditioning and Refrigeration Contractor License Law (Article  
15 8861, Vernon's Texas Civil Statutes), as amended by this Act, not  
16 later than June 1, 1998.

17 SECTION 16. (a) Not later than December 31, 1997, the  
18 commissioner of licensing and regulation shall adopt rules as  
19 required by Section 3C, Air Conditioning and Refrigeration  
20 Contractor License Law (Article 8861, Vernon's Texas Civil  
21 Statutes), as added by this Act.

22 (b) Section 23(c), The Real Estate License Act (Article  
23 6573a, Vernon's Texas Civil Statutes), as amended by this Act,  
24 applies only to a real estate inspection that is conducted on or  
25 after the effective date of this Act. A real estate inspection  
26 conducted before that date is governed by the law in effect on the  
27 date that the inspection occurs, and the former law is continued in

1 effect for that purpose.

2 (c) Section 25, Residential Service Company Act (Article  
3 6573b, Revised Statutes), as amended by this Act, applies only to a  
4 residential service contract that is entered into on or after the  
5 effective date of this Act. A residential service contract that is  
6 entered into before that date is governed by the law in effect on  
7 the date that the contract is entered into, and the former law is  
8 continued in effect for that purpose.

9 (d) The commissioner of licensing and regulation shall adopt  
10 rules and the Texas Commission of Licensing and Regulation shall  
11 adopt fees under Section 4B, Air Conditioning and Refrigeration  
12 Contractor License Law (Article 8861, Vernon's Texas Civil  
13 Statutes), as amended by this Act not later than January 1, 1998.

14 (e) Notwithstanding Section 4B(b), Air Conditioning and  
15 Refrigeration Contractor License Law (Article 8861, Vernon's Texas  
16 Civil Statutes), as added by this Act, a person who holds a license  
17 under that Act on the effective date of this Act is not required to  
18 fulfill continuing education required under that section to renew  
19 the license before September 1, 1999.

20 SECTION 17. The importance of this legislation and the  
21 crowded condition of the calendars in both houses create an  
22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.



**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
No equivalent provision.	No equivalent provision.	SECTION 1. Amends Section 2, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to change the definitions of "person" and "air conditioning and refrigeration maintenance work." Adds definitions of "air conditioning and refrigeration contracting company" and "direct personal supervision."
No equivalent provision.	No equivalent provision.	SECTION 2. Amends Section 3(e), Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to remove the provision requiring the exam to be held in Travis County and authorizes the commissioner to designate the locations.
No equivalent provision.	No equivalent provision.	SECTION 3. Amends Section 3A, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), by adding (i) to provide that Section 8, Article 6252-33, Revised Statutes, does not apply to the advisory board.
No equivalent provision.	No equivalent provision.	SECTION 4. Amends Section 3B, Air Conditioning and Refrigeration Contractor License Law (Article 8861 V.T.C.S.). LICENSE REQUIRED; CITATION. Provides for certain license exemptions. Requires that a nonexempt company under this Act must employ a person who is a license holder and whose license is assigned to the company.
No equivalent provision.	No equivalent provision.	SECTION 5. Amends Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), by adding

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SECTION 1. Amends Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861 V.T.C.S.), to require, rather than authorize, the commissioner to establish guidelines continuing education programs. Sets out requirements for persons seeking to provide continuing education programs. Provider status is valid for two years.

No equivalent provision.

No equivalent provision.

SENATE VERSION

No equivalent provision.

SECTION 1. Amends Section 4B, Air Conditioning and Refrigeration Contractor License Law (Article 8861 V.T.C.S.), to require the commissioner to recognize or adopt continuing education programs for licensees. Provides that participation in the program is mandatory for license renewal. Sets out provisions governing continuing education requirements, including participation, substitution of relevant education experience, curriculum, examinations, and fees. Provision relating to continuing education providers same as House version.

No equivalent provision.

No equivalent provision.

CONFERENCE

Section 3C to provide conditions for enforcement of contracts.

SECTION 6. Amends Section 4(f) and (g), Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to remove a provision requiring evidence of insurance to be submitted with the license application. Adds evidence of insurance as a requirement for license issuance. Makes change related to fee.

SECTION 7. Same as Senate version.

SECTION 8. Amends Section 6(a), Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to provide an exemption from this Act for persons performing certain air conditioning and refrigeration maintenance work.

SECTION 9. Amends Section 7, Air Conditioning and

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
		Refrigeration Contractor License Law (Article 8861 V.T.C.S.), to strike the word "person" and replace with "air conditioning and refrigeration contractor." Authorizes a municipality to set a fee on a contractor only in an amount reasonable and necessary to implement this section.
No equivalent provision.	No equivalent provision.	SECTION 10. Amends Section 8, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to change an offense from a Class B misdemeanor to a Class A misdemeanor.
No equivalent provision.	No equivalent provision.	SECTION 11. Amends Section 9, Air Conditioning and Refrigeration Contractor License Law, (Article 8861 V.T.C.S.), to provide for municipal license regulation.
No equivalent provision.	No equivalent provision.	SECTION 12. Amends Section 23(c), The Real Estate License Act, (Article 6573a, V.T.C.S.) by adding (4), to set out provisions governing a business entity that conducts certain inspections. Defines inspection of environmental air conditioning, commercial refrigeration, and process cooling and heating equipment.
No equivalent provision.	No equivalent provision.	SECTION 13. Amends Section 25, Residential Service Company Act, (Article 6573b, Revised Statutes) to provide for certain exemptions under the Act.
No equivalent provision, except for effective date contained in SECTION 2.	Same as House version.	SECTION 14. Effective date. Transition provision relating to offenses.

**House Bill 1391**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SECTION 2. (a) Effective date. (b) Requires commissioner of licensing and regulation to adopt rules and the Texas Commission of Licensing and Regulation to adopt fees not later than January 1, 1998. (c) Provides that a person who holds a license on the effective date of this Act is not required to fulfill continuing education requirements to renew the license before September 1, 1999.

SECTION 3. Emergency clause.

SENATE VERSION

No equivalent provision.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

CONFERENCE

SECTION 15. Transition provisions relating to municipal licenses and examinations.

SECTION 16. Same as House version (b) and (c), except to add transition provisions relating to rulemaking, real estate inspections, and residential service contracts.

SECTION 17. Same as House version.

FISCAL NOTES

CONFERENCE COMMITTEE  
REPORTS

HB 1391

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**  
**75th Regular Session**

June 1, 1997

To: Honorable Bob Bullock  
Lieutenant Governor  
Senate  
Austin, Texas

Honorable James E. "Pete" Laney  
Speaker of the House

From: John Keel, Director

In response to your request for a Fiscal Note on HB1391 (relating to the regulation of air conditioning and refrigeration contracting.) this office has determined the following:

**Biennial Net Impact to General Revenue Funds by HB1391-Conference Committee Report**

Implementing the provisions of the bill would result in a net positive impact of \$175,036 to General Revenue Related Funds through the biennium ending August 31, 1999.

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The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Fiscal Analysis**

This bill amends Section 4B, the Air Conditioning and Refrigeration Contractor License Law, to change continuing education requirements for air conditioning and refrigeration contractors from voluntary to mandatory in order to renew a license. The bill authorizes the Texas Department of Licensing and Regulation (TDLR) to approve continuing education courses and continuing education providers. The bill also sets the period for approval of providers as two years, with additional two year periods upon reapplication. Increases in the agency's workload are related to the registration of continuing education providers and the processing of educational credits for licensees.

**Methodology**

The agency assumes that the number of license holders, and those who have expired

licenses that can still be renewed without retesting, is approximately 10,500. The agency also assumes that the number of license holders will continue to increase at a rate of approximately 600 per year. Beginning in fiscal year 2000, 12,300 additional pieces of mail will be received in the mail room from contractors sending proof of their continuing education courses. TDLR will assess continuing education providers a registration fee which will cover two years of approval. TDLR would also increase license renewal fees from \$125 to \$144 to cover the cost of tracking continuing education credits. A computer programmer would be used to write a program to keep track of continuing education hours for six months. Two FTEs would be required to implement this bill. One FTE will be responsible for curriculum monitoring; the other FTE will process increased mail from continuing education validation.

TDLR assumes that 40 entities will apply as providers of continuing education courses, seminars and other qualified educational experiences. TDLR also assumes that 20 providers will apply during fiscal year 1998 and 1999 and that 20 will renew each year thereafter. TDLR will set the provider approval fee at \$250 to cover administrative costs. Revenue is generated due to a license renewal increase of \$29 per licensee to cover costs related to continuing education. Additional revenue would be generated from continuing education providers at \$250 for registration.

The probable fiscal implications of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

#### **Five Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 0001	Probable Savings/(Cost) from General Revenue Fund 0001
1998	(\$12,000)	\$112,300
1999	(43,364)	118,100
2000	(82,039)	123,900
2001	(69,335)	129,700
2002	(69,655)	132,600

#### **Net Impact on General Revenue Related Funds:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
1998	\$100,300
1999	74,736
2000	41,861
2001	60,365
2002	62,945

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

Source:       Agencies:

LBB Staff: JK, TH



**A BILL TO BE ENTITLED**  
**AN ACT**

**Relating to continuing education requirements for air conditioning and refrigeration contractors.**

FEB 18 1997

**Filed with the Chief Clerk**

FEB 19 1997

Read first time and referred to Committee on **Licensing & Administrative Procedures**

MAR 17 1997

Reported \_\_\_favorably ~~(as amended)~~  
(as substituted)

**APR 4 1997**

Sent to Committee on (Calendars)  
(Local & Consent Calendars)

APR 16 1997

Read second time (comm. subst.) (amended); passed to third reading (~~failed~~) by a (non-record vote) ~~\_\_\_\_\_~~ of ~~\_\_\_\_\_~~.

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting

APR 17 1997

Read third time (~~by a (non-record vote)~~ <sup>failed to pass</sup>) by a (non-record vote)  
(record vote of 66 yeas, 75 nays, 2 present, not voting)

April 20, 1997

**Engrossed**

APR 21 1997

**Sent to Senate**

*Sharon Carter*  
CHIEF CLERK OF THE HOUSE

**OTHER HOUSE ACTION:**

APR 18 1997 motion to reconsider vote by which HB 1391 failed passage to 3rd reading prevailed by a non-record vote.  
Read, amended, and finally passed by a record vote of 83 yeas, 46 nays, 1 present-not-voting.

APR 21 1997

Received from the House

## INTERNATIONAL RELATIONS, TRADE & TECHNOLOGY

APR 22 1997

Read and referred to Committee on

**MAY 17 1997**

**Reported favorably**

**Reported adversely, with favorable Committee Substitute; Committee Substitute read first time**

Ordered not printed

### Laid before the Senate

**MAY 24 1997**

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)  
~~yeas~~ nays)

MAY 24 1997

Read second time, amended, and passed to third reading by (unanimous consent)  
(a viva voce vote)  
(— yeas, — nays)

**MAY 24 1997**

Senate and Constitutional 3 Day Rules suspended by a vote of 30 years, 0 days

MAY 24 1997

Read third time, \_\_\_\_\_, and passed by (a viva voce vote) \_\_\_\_\_  
\_\_\_\_\_ years. \_\_\_\_\_ days)

May 24, 1997

**Returned to the House**

SECRETARY OF THE SENATE

**OTHER SENATE ACTION:**

MAY 24 1997

Returned from the Senate (~~substituted~~)  
(with amendments)

House concurred in Senate amendments by a (non-record vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

MAY 29 1997

House refused to concur in Senate amendments and requested the appointment of a conference committee  
by a (non-record vote) (~~substituted~~ of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

MAY 29 1997

House conferees appointed: Torres, Chair; Corte,  
Varbrough, Kubiak, Haggerty

May 30, 1997

Senate granted House request. Senate conferees appointed: Barrionto, Chair;  
Carona, Shapleigh, Sibley, Truett

Conference committee report adopted (rejected) by the House by a (non-record vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

Conference committee report adopted (rejected) by the Senate by a (viva voce vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays)

97 APR -3 AM 9:16

HOUSE OF REPRESENTATIVES